

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO.:</b>
	<b>:</b>	<b>DATE FILED:</b>
<b>v.</b>	<b>:</b>	<b>VIOLATIONS:</b>
<b>MICHAEL ALSTON</b>	<b>:</b>	<b>18 U.S.C. § 1341 (mail fraud – 2 counts)</b>
<b>LISA ALSTON</b>	<b>:</b>	<b>18 U.S.C. § 1347 (health care fraud - 12 counts)</b>
	<b>:</b>	<b>Notice of forfeiture</b>

**INDICTMENT**

**COUNTS ONE AND TWO**

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

**I. Introduction.**

**A. The Defendants' Operations**

1. Defendants MICHAEL ALSTON and LISA ALSTON, husband and wife, owned and operated Mount Pleasant Medical Inc., with an address of 7100 Germantown Avenue, Philadelphia, Pennsylvania; Mt. Pleasant Medical and Chiropractic Center, Inc., with an address of 7100 Germantown Avenue and later an address of 6114 Germantown Avenue, Philadelphia, Pennsylvania; and Walnut Lane Medical, with an address of 6114 Germantown Avenue, Philadelphia, Pennsylvania.

2. The owners and the nature of the business, whether it was called Mount Pleasant Medical Inc., Mt. Pleasant Medical and Chiropractic Center Inc., or Walnut Lane

Medical, remained the same. The business will be referred to as “the Center.”

3. The Center held itself out to be a medical center specializing in physical therapy, and providing medical treatment and rehabilitation services to injured patients.

4. The Center operated Monday through Friday, and employed part-time physicians and part-time physical therapists as the principal health care providers, as well as clerical staff who were not trained as physicians or physical therapists.

#### **B. The Health Care Benefit Programs**

5. The Center regularly submitted claims for reimbursement for services supposedly provided to health care insurance plans operated by private insurance companies. Each of the health care insurance plans was a health care benefit program as that term is defined in Title 18, United States Code, Section 24, and as that term is used in Title 18, United States Code, Section 1347.

6. The Center submitted claims to health care programs on a health care claim form, which is standard in the industry and which is commonly known as the HCFA 1500. Among other things, the HCFA 1500 requires the provider to identify the patient and/or insured person, the dates on which services were rendered, the specific services provided, and the identity of the provider performing the services.

7. Pursuant to industry practice, the Center identified the particular service provided through code numbers. The physicians’ Current Procedural Terminology Manual (the “CPT Manual”), a publication of the American Medical Association, contained a listing of descriptive terms and identifying codes for reporting and billing medical services and procedures. Providers such as the Center used these terms and codes to designate the particular service

provided in a uniform language of medical services to allow reliable nationwide communication among providers, patients and insurers. The CPT Manual assigned numeric codes, commonly known as CPT codes, for virtually all medical, surgical and diagnostic services.

8. In order to obtain reimbursement, the Center was required to place the CPT code for each service provided on the HCFA 1500, which it then submitted to the health care benefit programs. Those programs relied on those CPT codes when paying the claims.

9. The American Medical Association also published an annual International Classification of Diseases manual, which set forth the various numerical codes, known as ICD-9 codes, which had to be included in each claim for health care services to designate the diagnosis, symptom, complaint, condition or problem presented in the medical visit for which the claim was submitted.

10. In addition to the CPT and ICD-9 codes, each claim submitted to a health care benefit program had to include the name and identification number of the beneficiary (the insured), and the patient, if different; the date services were provided; the charges associated with such services; the location at which the services were provided; and for most health care benefit programs the identity of the health care provider performing the services.

11. At the bottom of the HCFA 1500 form, the physician or supplier was required to sign, certifying that all of the information was accurate.

12. The Center submitted claims to several insurers, including Progressive Insurance, Erie Insurance, Liberty Mutual Insurance, Allstate Insurance, SEPTA, State Farm Insurance, Travelers Insurance, AAA Mid-Atlantic Insurance, Nationwide Insurance, Prudential Insurance, AIG Insurance, Cigna Insurance, Geico Insurance, Independence Blue Cross,

Pennsylvania Insurance Department, American Independence, Harleysville Insurance, and Kemper Insurance.

### **THE SCHEME**

13. From in or about January 1995 through in or about November 2000, defendants

### **MICHAEL ALSTON and LISA ALSTON**

devised and intended to devise a scheme to defraud insurance companies, and to obtain money and property by means of false and fraudulent pretenses, representations and promises from these insurance companies.

### **MANNER AND MEANS**

It was part of the scheme that:

14. Defendants MICHAEL ALSTON and LISA ALSTON submitted and caused others to submit false and fraudulent information on claims to health care benefit programs.

15. The claims were false and fraudulent in the following ways, among others:

a. The defendants' claims routinely reported that services had been performed on particular dates, when in fact they had not been.

b. The defendants' claims routinely reported that services had been performed on particular dates by a physician or under the physicians's supervision, when in fact they had not been.

c. The defendants' claims reported that the HCFA 1500 forms were

signed by physicians, when the defendants stamped, or caused to be stamped, the signature of the physicians without the physicians' knowledge or authorization.

16. In reality, very little of the treatment and services billed for was ever received by patients at the Center. Rather, the Center operated as a "billing mill" which generated large volumes of false billings and medical reports.

17. Defendants MICHAEL ALSTON and LISA ALSTON, and others at their direction, created bills and false medical reports that were submitted to insurance companies to make it appear as if the patient had received treatment.

18. In order to perpetrate the fraud, defendants MICHAEL ALSTON and LISA ALSTON employed a large clerical staff, whose primary job was to falsify medical reports.

19. As instructed by MICHAEL ALSTON and LISA ALSTON, the clerical staff received copies of the bills (HCFA 1500 form) and, using the CPT codes listed on the bills, generated false medical progress reports to match the dates and types of services listed on the bills.

20. Defendants MICHAEL ALSTON and LISA ALSTON then caused their staff to stamp the false medical reports with a forged signature of a physician or physical therapist.

21. Defendants MICHAEL ALSTON and LISA ALSTON submitted, and caused others to submit, fraudulent claims to health care benefit programs, knowing that payment on such claims would be delivered in the name of the Center to a post office box or to the beneficiaries through the United States mail.

22. Defendants MICHAEL ALSTON and LISA ALSTON caused fraudulent health care insurance claims, in an amount in excess of \$1,000,000, to be prepared and submitted

to insurance companies and others for medical treatment and physical therapy never provided.

23. On or about the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, defendants

**MICHAEL ALSTON and  
LISA ALSTON,**

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered by mail, according to the directions thereon, checks from the insurance companies payable to the Center, in payment of defendants MICHAEL ALSTON and LISA ALSTON's false and fraudulent claims, each mailing constituting a separate count, as set forth below.

<b>COUNT</b>	<b>DATE OF MAILING</b>	<b>SENDER</b>	<b>RECIPIENT</b>	<b>DOCUMENT</b>
1	9-22-00	Kemper Insurance Company	Walnut Lane Medical 6114 Germantown Avenue, Phila. PA 19119	Check No: 0896742 for \$989.58 for services to patient "J.S."
2	10-17-00	Kemper Insurance Company	Walnut Lane Medical 6114 Germantown Avenue, Phila. PA 19119	Check No: 0960135 for \$951.04 for services to patient "J.S."

All in violation of Title 18, United States Code, Sections 1341.

**COUNTS THREE THROUGH FOURTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. The allegations of paragraphs 1 through 12, and 14 through 22 of Counts One and Two are incorporated here.

2. From in or about August 1996 through in or about November 2000, in the Eastern District of Pennsylvania, defendants

**MICHAEL ALSTON and  
LISA ALSTON**

knowingly and willfully executed a scheme and artifice to defraud health care benefit programs, and to obtain money and property owned by and under the custody and control of those health care benefit programs, by means of false and fraudulent pretenses, representations, and promises, in connection with the delivery of and payment for health care benefits, items and services, by submitting and causing to be submitted false and fraudulent health care insurance claims for medical treatment and physical therapy services purportedly provided by employees of the Center, when defendants MICHAEL ALSTON and LISA ALSTON knew that the treatment and services claimed had not in fact been provided as represented, each false and fraudulent claim constituting a separate count:

COUNT	Patient's Initials	Date and services claimed on HCFA 1500	Date of Billing	Insurance Co. Billed
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3	"J.S."	6-16-00 Diathermy Therapy Physical Medicine Therapy Hot Pack Electrical Stimulation	7-18-00	Kemper
4	"J.S."	6-23-00 Massage Therapy Therapeutic Exercises Physical Medicine Therapy Electrical Stimulation Hot Pack	7-18-00	Kemper
5	"J.S."	6-29-00 Massage Therapy Therapeutic Exercises Physical Medicine Therapy Electrical Stimulation Hot Pack	7-18-00	Kemper
6	"J.S."	7-4-00 Massage Therapy Therapeutic Exercises Physical Medicine Therapy Electrical Stimulation Hot Pack	7-18-00	Kemper
7	"J.S."	7-7-00 Massage Therapy Therapeutic Exercises Physical Medicine Therapy Electrical Stimulation Hot Pack	7-18-00	Kemper
8	"J.S."	7-19-00 Massage Therapy Therapeutic Exercises Electrical Stimulation Hot Pack	9-21-00	Kemper
9	"J.S."	7-21-00 Massage Therapy Therapeutic Exercises Electrical Stimulation Hot Pack	9-21-00	Kemper



10	"J.S."	7-25-00 Massage Therapy Therapeutic Exercises Electrical Stimulation Hot Pack	9-21-00	Kemper
11	"J.S."	7-27-00 Massage Therapy Therapeutic Exercises Electrical Stimulation	9-21-00	Kemper
12	"J.S."	8-3-00 Massage Therapy Therapeutic Exercises Electrical Stimulation Hot Pack	9-21-00	Kemper
13	"J.S."	8-10-00 Massage Therapy Therapeutic Exercises Hot Pack	9-21-00	Kemper
14	"J.S."	8-16-00 Massage Therapy Therapeutic Exercises Electrical Stimulation Hot Pack	9-21-00	Kemper

All in violation of Title 18, United States Code, Section 1347.

## **NOTICE OF FORFEITURE**

### **THE GRAND JURY FURTHER CHARGES THAT:**

1. As a result of the violations of Title 18, United States Code, Section 1347, set forth in this indictment, defendants

**MICHAEL ALSTON and  
LISA ALSTON**

shall forfeit to the United States of America any property that constitutes or is derived from gross proceeds traceable to the commission of such offenses, including, but not limited to, the sum of \$1,000,000.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other

property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(7).

**A TRUE BILL:**

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**FOREPERSON**

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**PATRICK L. MEEHAN**  
**United States Attorney**